Exhibit B

S&P Global
Market Intelligence

VEREIT Operating Partnership, L.P.

Special Call

Monday, September 09, 2019 10:00 PM GMT

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Call Participants

EXECUTIVES

Bonni Rosen
Senior Vice President of Investor Relations

Glenn J. Rufrano
CEO & Director

ANALYSTS

Andrew Samuel Molloy
BofA Merrill Lynch, Research Division

Anthony Paolone
JP Morgan Chase & Co, Research Division

Christopher Ronald Lucas
Capital One Securities, Inc., Research Division

Haendel Emmanuel St. Juste
Mizuho Securities USA LLC, Research Division

Mitchell Bradley Germain
JMP Securities LLC, Research Division

Richard Jon Milligan
Robert W. Baird & Co. Incorporated, Research Division

Vikram Malhotra
Morgan Stanley, Research Division

Presentation

Operator

Good day, and welcome to the VEREIT business update conference call. [Operator Instructions] Please note, this event is being recorded.

I would like to now turn the conference over to Bonni Rosen, Head of Investor Relations. Please go ahead.

Bonni Rosen
Senior Vice President of Investor Relations

Thank you, Jay. Thank you for joining us today for a brief business update. Joining me today is Glenn Rufrano, our Chief Executive Officer. Today's call is being webcast on our website at vereit.com in the Investor Relations section. There will be a replay of the call beginning at approximately 6 p.m. Eastern Time today. Dial-in for the replay is 1 (877) 344-7529, with the confirmation code of 10134876.

Before I turn the call over to Glenn, I would like to remind everyone that certain statements in this business update call, which are not historical facts, will be forward-looking. VEREIT's actual results may differ materially from these forward-looking statements, and factors that could cause these differences are detailed in our SEC filings. In addition, as more fully in our -- as stated more fully in our SEC reports, VEREIT disclaims any intent or obligation to update these forward-looking statements, except as expressly required by law.

Following Glenn's prepared remarks, we will open the line for questions. Glenn, let me turn the call over to you.

Glenn J. Rufrano
CEO & Director

Thanks, Bonni, and thank you for joining us on such short notice. We've dealt with many legacy issues and are happy to announce our last one will be largely behind us. Although there were many parties that had to come to a consensus, we were able to reach a resolution. VEREIT has entered into agreements to settle outstanding litigation at a net cost to the company of approximately $765.5 million. As part of the Memorandum of Understanding, or MOU, signed yesterday in connection with the Class Action, certain defendants have agreed to pay a total of $1.025 billion to settle a Class Action made up of $225 million from the company's former external manager and its principals, $12.5 million from the company's former CFO, $49 million from the company's former auditor and the balance, $738.5 million, from the company. In addition, we entered into separate settlement agreements and releases with the remaining opt outs, Jet Capital and Lakewood for $27 million, which brings our total to the $765.5 million outlined above.

The contributions from the former manager and former CFO can be satisfied by a combination of cash, limited partnership -- limited partner units of the operating partnership and amounts due related to the dividends on such OP Units previously withheld from distribution. The contributions from the company's former manager are inclusive of the value of substantially all of the OP Units and dividends surrendered to the company as a result of the SEC settlement in July 2019, totaling approximately $32 million and recorded in our second quarter 10-Q.

The company has advised the SEC that it will seek to recover approximately $34 million paid by the company's former manager and former CFO in connection with the previously announced settlement between them and the SEC for disgorgement and penalties. Any monies disbursed to the company will be maintained by the company and will not be paid as part of the settlements described above. The payment from the former auditor of $49 million will be made in cash.

The company also entered into an MOU providing for the settlement of the Derivative Action lawsuit currently pending in the Southern District of New York. Three additional Derivative Actions are also pending in other courts, and the company expects to seek dismissal of these actions based upon the

settlement of the Southern District of New York's Derivative Action. The settlements of the Class Action and Derivative Actions are subject to completing definitive documentation and court approval.

We believe these settlements are in the company's best interest as they eliminate the risk of adverse judgments at trial, put an end to the timing uncertainties and remove the burdens and costs of these litigations, which we estimate could have been at least $100 million if litigation continued and we went to trial. We expect funding to be sometime in the fourth quarter. The company will be required to fund its contribution to the [Class], along with the cash value of OP Units and dividends surrendered by the former manager and former CFO.

With regard to this year's guidance, we are currently not changing our AFFO per share range of $0.68 to $0.70, but will update all elements of guidance as necessary on our third quarter call in November.

We've been asked many times how we would finance this liability, it's now here, and I'll give a similar answer. I have to start with the company position back in 2015. We had $2.3 billion drawn on our $2.6 billion revolver and $10.5 billion in total debt. We have worked hard to bring our debt down to $5.5 billion and have 100% liquidity on our $2 billion revolver. Our short-term funding is in place. Over time, we will consider [marketing] conditions and reduced debt levels back to metrics of BBB equivalent ratings.

As I mentioned on our last call, we are focused on 3 objectives: lowering our debt levels, which provides margin in this settlement; refreshing and diversifying our portfolio, which is a continued long-term goal; and maintaining an experienced management team which, moving forward, provides for the future optimal asset allocation. As a team, we're eager to enter the next phase for VEREIT.
With that, I'll now open the call for questions.

Question and Answer

Operator

[Operator Instructions] The first question comes from R.J. Milligan of Baird.

Richard Jon Milligan
Robert W. Baird & Co. Incorporated, Research Division

Glenn, obviously, the Class Action, the biggest sort of outstanding litigation out there, but I think you guys are still -- there's still an SEC investigation outstanding. Can you talk about the conversations that you've had, any expectations in terms of timing as to when that might wrap up and what you think the possible potential outcomes could be?

Glenn J. Rufrano
CEO & Director

Sure. We've had consistent conversations with the SEC but nothing notable to discuss on the calls in the last 3 quarters. We continue to have those discussions with the SEC. But at this time, there's no timing that we can give you for a settlement with the SEC. We've been cooperative from the beginning, and we will continue to be cooperative.

Richard Jon Milligan
Robert W. Baird & Co. Incorporated, Research Division

And do you anticipate that a settlement with the SEC is a -- results in a cash settlement or a fine?

Glenn J. Rufrano
CEO & Director

We just don't know at this time.

Richard Jon Milligan
Robert W. Baird & Co. Incorporated, Research Division

Okay. My second question is, is that with the Class Action sort of out of the way, how does that change the thought process and maybe not '19, but looking into 2020, in terms of being a -- instead of a net neutral buyer or seller but looking towards growth in the future?

Glenn J. Rufrano
CEO & Director

If we go back to the plan we put in place in 2015, we really considered the portfolio as, number one, making sure it was in good shape, diversifying it. We've had an opportunity to do that over the years. We've sold well over $3.5 billion worth of assets. We're on a pretty good position now with our portfolio. We look forward to putting this behind us, so that we can have a more adequate cost of capital and continue the growth of the portfolio that we have been having. But on a neutral basis, we hope and expect to be positive in terms of acquisitions.

Richard Jon Milligan
Robert W. Baird & Co. Incorporated, Research Division

Okay. And one quick last question. Pro forma for the settlement, the leverage ticks out to just over 6x and obviously, higher with the -- including the preferreds. What level, longer term, are you comfortable running from a debt-to-EBITDA standpoint? And I guess I'm just trying to get a better gauge as to whether or not you're going to need additional equity to pay for the settlement.

Glenn J. Rufrano
CEO & Director

We've continually looked at BBB equivalent ratings as where we should be, and we're BBB- now. I'll start with -- by saying, we were not even investment grade when we started. We're now BBB-. We believe at BBB, net debt-to-EBITDA would be somewhere in the mid- to high -- mid-5s to 6, which we -- where we've been over the last couple of years. So we look at that net debt-to-EBITDA as being reasonable, mid-5 to 6.

Operator

The next question comes from Chris Lucas with Capital One Securities.

Christopher Ronald Lucas
Capital One Securities, Inc., Research Division

I guess to follow up on the ratings question, Glenn. In your conversations with the agencies removing the litigation, is that a -- is that going to be a positive for the analysis they do?

Glenn J. Rufrano
CEO & Director

Yes, without a doubt, Chris. For at least the last year, we have discussed with the rating agencies that the BBB- rating relative to our metrics could have been low. That was our view. But we fully understood that the contingency and litigation was there. Without a doubt, it will be positive. And we have made them aware that, at some point, this settlement would occur and our debt would go up, we would though present a plan to them to bring it back down. I'm comfortable that they'll accept that review. In fact, we did let them know earlier today about the settlement.

Christopher Ronald Lucas
Capital One Securities, Inc., Research Division

Okay. And then as it relates to accessing the capital markets, one of the overhangs earlier, I think, that we talked about earlier, this summer, was related to your -- the windows available to you to access the capital markets. Does this settlement improve that? And by how much? Does -- how much freedom does it give you to access the capital markets?

Glenn J. Rufrano
CEO & Director

It certainly improves it, Chris. And I think the best answer is that we -- putting aside the litigation, we always evaluate the markets -- on a daily basis to make sure we're hitting the right conditions. That's a CEO 101 answer. What we're also doing though is given where we are today, we are evaluating whether it does make sense to access the capital markets. So it'll be a continued evaluation. This has made it better.

Operator

The next question comes from Nikita Bely with JPMorgan.

Anthony Paolone
JP Morgan Chase & Co, Research Division

It's Tony Paolone with Nikita here. My first question is just to make sure I understand the dollars, so the $765.5 million, you also then have to write a check for, it sounds like, $32 million as well, so it's about $800 million. But that other piece relates to OP Units that are getting canceled out. I just want to make sure we're getting this right in terms of cash out the door.

Glenn J. Rufrano
CEO & Director

It's a good question, Tony. The $765.5 million will be -- will have an addition. I think a simple way of doing it is if the former manager and the former CFO choose units instead of cash that we will get the value of those units, but we will substitute cash in their place, and so that it's $225 million and roughly $12 million.

You can add $225 million and $12 million roughly to the $765 million, so it could be about $1 billion of cash.

Anthony Paolone
JP Morgan Chase & Co, Research Division

Okay. So you all would be on the hook to write the entire -- that entire check?

Glenn J. Rufrano
CEO & Director

We're not sure. It could be. I'm giving you the situation where the former manager chooses units and dividends instead of cash. It -- that choice is up to them. We will know of that choice well before funding. But in all cases, we get value in exchange for that. So it's -- our net number's still $765 million, there could be a difference in cash versus value.

Anthony Paolone
JP Morgan Chase & Co, Research Division

Okay. And is there -- is the price set?

Glenn J. Rufrano
CEO & Director

No. There will be a market formula to determine the price of the units between now and funding.

Anthony Paolone
JP Morgan Chase & Co, Research Division

Okay. And the $49 million as it relates to the auditor, that's on them to pay? You have nothing to do with that one?

Glenn J. Rufrano
CEO & Director

That's right. That's just cash that comes into the settlement.

Anthony Paolone
JP Morgan Chase & Co, Research Division

Okay. And then the -- you mentioned and the press release mentioned the Derivative Actions being settled, but there were no dollar amounts with those. Is there not dollars associated with those?

Glenn J. Rufrano
CEO & Director

There's not. But let me -- the Derivative Action, at least for most people, including myself, is not a common phrase. The Derivative Action is an action brought by a shareholder on behalf of the company with damage claims against certain defendants. So it's really the company who's bringing that -- those damage claims. So there's no outlay from our standpoint at all, no.

Anthony Paolone
JP Morgan Chase & Co, Research Division

Okay. I understand. And then when this is all done, do you still have any -- retain any ability to go after any of the former principals or external manager, that this would settle everything among the plaintiffs as well?

Glenn J. Rufrano
CEO & Director

This is global peace.

Anthony Paolone
JP Morgan Chase & Co, Research Division

Does this make it done?

Glenn J. Rufrano
CEO & Director

Yes.

Anthony Paolone
JP Morgan Chase & Co, Research Division

Okay. And then any sense as to like what the remaining legal fees are to kind of get this past the finish line? And then is it fair to assume that the money that's been spent on legal just is now done after this?

Glenn J. Rufrano
CEO & Director

Yes. We -- just to go back to 2015, we've had about $225 million of legal fees. It's incredible, incredible. We've had about $80 million of insurance, but that's primarily gone at this point. For this year, we're estimating -- we had said it'd be at least $70 million. We're estimating about $70 million for this year. And we're estimating that by cutting it off today, we are going to cut off another $100 million.

Anthony Paolone
JP Morgan Chase & Co, Research Division

That would have been in 2020 and beyond or whatever it was?

Glenn J. Rufrano
CEO & Director

That's towards the tail end of this year and 2020.

Anthony Paolone
JP Morgan Chase & Co, Research Division

Okay. Okay. Got it. And then just final question. Just from a bigger picture point of view, with this now getting wrapped up, what is the messaging to the deal team and the acquisition staff as I'm guessing, just given the size of the platform, you've worked up lots and lots of things but probably haven't pulled the trigger on things because of capital considerations? Like what's the messaging to the team after today?

Glenn J. Rufrano
CEO & Director

Well, I'd first start -- if we go back to '15, remember, the team was acquiring for us and Cole. This team was acquiring $1 billion to $1.5 billion of assets a year for Cole and VEREIT. So the team has been out there and has been working hard. Over the last year since we've sold Cole, it's been a combination of dispositions and acquisitions, but they're ready to go. The team is ready to go. It's in place. And we're hoping and expecting, as I said, from -- the team is eager to get started to our next phase.

Operator

The next question comes from Haendel St. Juste of Mizuho.

Haendel Emmanuel St. Juste
Mizuho Securities USA LLC, Research Division

So most of my questions have been asked and answered but just a couple quickly here. I'm just curious if there's a timeframe of which you've communicated or agreed to the rating agencies to return your leverage back to that mid-5 BBB, BBB- type of threshold.

Glenn J. Rufrano

CEO & Director

We have not, Haendel. We will. I'd just point out, we signed this agreement at 12:00 last night. Just to be clear. But -- and we have informed the rating agencies about it and have told them that we would come to them with a plan, and we will in a very reasonable period of time.

Haendel Emmanuel St. Juste
Mizuho Securities USA LLC, Research Division

Okay. And just outlining the source of this capital, I know you've gone through this a few different ways already, but just curious in how we're looking at the cost of capital available to you today. Your stock price is implying a -- showing an implied cap rate somewhere in the low 6, maybe even lower; asset sales likely in the 6% to 7% range; JVs. And so maybe give -- can you give us a sense of the sources available to you, how attractive each are on a relative perspective and then any update on anything you'd mention on the JV side?

Glenn J. Rufrano
CEO & Director

Sure. You know what counts to us? Options. Options are really important because there's no one source of capital you should be able to count on forever. What we created this year are options. I -- we're pleased that our stock price shows below 6s. We also have assets that we could sell in the low 6s. We have a JV that we sold below 6 that we could put some more assets into if we choose. So the best answer I can give you is, as we've indicated, we capital allocate based upon the best source of funding. And we'll continue to do that. We feel comfortable and confident that we have funding in place that can take this leverage down.

Operator

The next question comes from Vikram Malhotra with Morgan Stanley.

Vikram Malhotra
Morgan Stanley, Research Division

Most of my questions have been answered as well. Just 2 clarifications. One, can you -- I just want to make sure there's no confusion around what the company is responsible for in terms of outflows. You referenced the $750 million and then the $1 billion. Could you just clarify that in terms of net? What would it -- what will the company be eventually responsible for?

Glenn J. Rufrano
CEO & Director

Sure. If we do it -- first of all, there we -- there would be a period of time between now and funding when the former manager and the former CFO can indicate how they want to fund either through units, dividends or cash. But if we take the extreme position where they do it through units, which means we basically get their equity. Then, if you took the $225 million and we took $225 million of their equity, we would be responsible for that cash funding. And the $12.5 million from the former CFO, we would be responsible. And again, we have -- we get the full value of all that. So if you took $765 million and $225 million and $12.5 million, you'll get in the high 9s, close to $1 billion.

Vikram Malhotra
Morgan Stanley, Research Division

Got it. That makes sense. And then just now that we actually have a number, just curious, obviously, earlier, you couldn't talk about your own or company expectations. Is this in line, higher or lower, than what you were anticipating?

Glenn J. Rufrano
CEO & Director

Well, I think the -- your question comes from certain settlements we had before. And so we've been fairly consistent that we should not have an expectation moving forward until we actually closed the deal. And

you can see the complexity of what we've done. We've had -- we have 3 plaintiffs, a series of defendants and a derivative case. We've been able to have global peace with all of them. So we would give you -- we would not give you what we thought it would be. We're happy to say what it is.

Operator

The next question comes from Mitch Germain with JMP Securities.

Mitchell Bradley Germain
JMP Securities LLC, Research Division

Glenn, does the $225 million equal the shares outstanding right now times the OP Units times the share price? Or would that also require some additional capital that they would have to contribute?

Glenn J. Rufrano
CEO & Director

It's -- as you would expect, Mitch, it's a question of the price. But at around today's price, the combination of units and dividends would be enough.

Mitchell Bradley Germain
JMP Securities LLC, Research Division

And -- okay. So you have to add the dividends for that as well, right? And then...

Glenn J. Rufrano
CEO & Director

Right. Right. We withheld dividends for years now, so the -- yes.

Mitchell Bradley Germain
JMP Securities LLC, Research Division

Got you. And should there be units that -- those units just become common shares, meaning your total weighted average share count doesn't change, correct?

Glenn J. Rufrano
CEO & Director

No, no. They get canceled, and our total weighted average share count goes down accordingly.

Mitchell Bradley Germain
JMP Securities LLC, Research Division

Okay. That's what I was -- that would only be if the -- if you -- if units -- if they use the units, right? Not if they come back to you?

Glenn J. Rufrano
CEO & Director

That's exactly right.

Mitchell Bradley Germain
JMP Securities LLC, Research Division

Okay. And then I know a lot of discussion around your capital market strategy here. You've talked about the BBB rating and the importance of getting back to that. You've talked about how you can shift to growth. I guess I'm trying to weigh, can you accomplish -- within your capital market strategy, can you accomplish a deleveraging as well as growth simultaneously? Or do you have to have one before you get the other?

Glenn J. Rufrano
CEO & Director

I think we can -- we could do it simultaneously. We find ourselves in a very nice market. I gave a number of reasons why it was good to settle today. Clearly, it's good to settle so we don't have to take the risk of court. Clearly, it's good to settle so that we don't have timing that people worry about in terms of when we'll settle. Clearly, it's good not to have to suffer more litigation costs and pay more lawyer fees. But another -- a very important part is I don't know a time when money has been as cheap, and so timing seems to be on our side. Sometimes, it's better to be lucky than smart. So just maybe we could achieve both.

Operator

The next question comes from Andrew Molloy with Bank of America Merrill Lynch.

Andrew Samuel Molloy
BofA Merrill Lynch, Research Division

Most of my questions have been answered.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Glenn Rufrano for any closing remarks.

Glenn J. Rufrano
CEO & Director

Thank you. And thank you, everybody, for joining us on such quick notice. We are pleased that we have been able to take this last legacy issue and get it done -- beyond us primarily. And we do look forward to the next phase for VEREIT. Thank you very much.

Operator
The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.